Virginia Company 2

Announcement:	2007
Location:	A County in Virginia
Other States/Sites Competing for Project:	New Jersey, North Carolina, Pennsylvania
Private Sector Consultant:	Yes
Specifics:	$270 million investment over five phases with 250 new jobs
Phase 1:	$50 million and 20 jobs in first three years

Project Introduction (1):

Virginia Company 2, a global player in integrated internet exchanges and managing information, announced it would invest $270 million over the next five to seven years to build and operate a data-center campus just outside a town in Virginia. Virginia Company 2 expects to create about 250 new area jobs with salaries that will average about $90,000 a year. It will have an annual payroll of $22.5 million with top salaries of $180,000. The Florida-based company, which serves about 600 high-profile internet companies, plans to build five buildings with a total of 250,000 square feet of space. The campus, which will include a 75,000-square-foot office building, will be on 30 acres just off a State Route adjacent to an institute of higher learning.

The Virginia Governor presented the County with a check for $1 million for the Governor's Opportunity Fund to help with utility and site work costs on the project. The Virginia county also sweetened the pot with an additional $3 million in tax incentives over a three-year period. According to an Economic Development Director, Virginia Company 2 will pay an estimated $4 million a year in county taxes when the data-center campus opens. The developer indicated that the County offered Virginia Company 2 an 80% rebate on its taxes for three years.

The company representative   chose the location, "because the people here showed us that they really wanted us," ample fiber-optic capability and enough electric power were also available at the site, and "the location is outside the federal security-blast zone - which covers a 50 mile radius." The representative said that state and local incentives and attitudes convinced him to choose the location over proposed sites in New Jersey, North Carolina and Pennsylvania.

In 2008, the high-tech data campus officially opened.   About 50 people are now working at the facility. The facility was completed on time and on budget, said the VA Company 2 Chairman and CEO.

Table 6.2: Case Study for Virginia Company 2